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Message Text

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43
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 ERDA-05 DODE-00 FEAE-00

FPC-01 H-02 INT-05 L-03 NSC-05 PM-04 USIA-06 OES-03

SS-15 /099 W
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R 301006Z OCT 75
FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 9848
ALL EC CAPITALS 1249

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E.O. 11652: N/A
TAGS: SENV,ETRD, EEC
SUBJECT: GERMAN REGULATIONS ON LEAD IN GASOLINE POSE A SERIOUS PROBLEM FOR THE EC

REF: EC A-463, DECEMBER 14, 1973

1. BEGIN SUMMARY: COMMISSIONER GUNDELACH BELIEVES THAT THE GERMAN GOVERNMENT IS SO LOCKED INTO ITS NEW REGULATIONS ON THE LEAD CONTENT OF GASOLINE THAT IF THE REGULATION IS CHALLENGED IN THE EUROPEAN COURT AND IS FOUND TO BE A BARRIER TO TRADE, THE GERMAN GOVERNMENT WOULD REFUSE TO ABIDE BY THE COURT"S DECISION. THE COMMISSION WILL HAVE TO AVOID HAVING THE ISSUE REACH THAT POINT, FOR GERMAN REFUSAL TO FOLLOW THE COURT'S ORDER WOULD BE A HEAVY BLOW TO THE COMMUNITY. END SUMMARY.

2. A LUNCH ON OCTOBER 20 FOR CONGRESSMAN MOORHEAD AND AMBASSADOR ELLIOT RICHARDSON , EC COMMISSIONER GUNDELACH SAID THAT THE COMMUNITY WAS FACING A POTENTIAL CONSTITUTIONAL CRISIS. THE GERMANS INSIST ON PUTTING INTO EFFECT ON JANUARY 1, 1976 STRICTER STANDARDS ON THE
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LEAD CONTENT OF GASOLINE THAN EXIST IN THE OTHER MEMBER STATES AND

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THAN HAVE BEEN AGREED TO FOR THE WHOLE OF THE EC BY THE OTHER EIGHT MEMBER STATES. THE MATTER IS ONE THAT INVOLVES INVESTMENTS OF HUNDREDS OF MILLIONS OF DOLLARS. THE COMMISSION HAS RECEIVED COMPLAINTS FROM SEVERAL INDEPENDENT GERMAN AND DUTCH GASOLINE DEALERS (WHO SUPPLY THE GERMAN MARKET FROM THE NETHERLANDS). THESE DEALERS ARGUE THAT THEY CANNOT PRODUCE GASOLINE WITH THE LEAD CONTENT SUFFICIENTLY LOW TO MEET THE GERMAN REGULATIONS AND THAT THE GERMAN REGULATIONS CONSTITUTE A BARRIER TO INTRA-COMMUNITY TRADE. THE COMMISSION AGREES THAT THE GERMAN STANDARDS DO REPRESENT A TRADE BARRIER. NORMALLY THE COMMISSION'S REACTION WOULD BE TO TAKE GERMANY TO THE EUROPEAN COURT OF JUSTICE. HOWEVER, GUNDELACH DOUBTS VERY MU CH THAT THE GERMANS WOULD ABIDE BY A COURT ORDER TOMODIFY THE REGULA-TIONS. ACCORDING TO GUNDELACH, THE GERMAN STANDARDS ARE SUPPORTED BY THE HIGHEST POLITICAL ELVELS OF THE GERMAN GOVERNMENT BECAUSE THEY REPRESENT A UNIQUE EXAMPLE OF REFORM PROMISED BY A REFORM GOVERNMENT. GERMAN REJECTION OF A COURT DECISION WOULD CAUSE A GRAVE IMPASSE IN THE COMMUNITY. THE COMMISSION WILL NEED TO CONSIDER CAREFULLY HOW TO KEEP THE ISSUE FROM BRINGING ON A COMMUNITY CONSTITUTIONAL CRISIS.

3. IN A SEPARATE CONVERSATION WITH VERDIANI OF THE DIRECTORATE GENERAL FOR THE INTERNAL MARKET, WE DISCUSSED THE TECHNICAL DETAILS. VERDIANI SAID THAT GERMAN REGULATIONS PROVIDE THAT THE MAXIMUM LEAD CONTENT IN BOTH REGULAR AND PREMIUM GASOLINE MUST BE .15 GRAMS PER LITER. DURING A TWO-YEAR TRANSITIONAL PERIOD , IMPORTED GASOLINE MAY CONTAIN UP TO .4 GRAMS OF LEAD PER LITER BUT SUCH IMPORTS WILL BE SUBJECT TO A SPECIAL TAX.

4. VERDIANI ALSO SAID THAT THE GERMANS ARE ADAMANT IN THEIR POSITION AND HAVE REFUSED TO POSTPONE THE DATE ON WHICH THEIR REGULATIONS GOES INTO EFFECT. THEY HAVE ALSO REFUSED TO GO ALONG WITH THE COMMISSION'S PROPOSAL FOR A HARMONIZED STANDARD WHICH WOULD BRING THE MAXIMUM LEAD CONTENT FOR REGULAR GASOLINE DOWN TO .15 BUT RETAIN A .4 GRAM/LITER MAXIMUM FOR PREMIUM WHICH THE COMMISSION BELIEVES IS ADEQUATE FROM A HEALTH POINT OF VIEW. THE COMMISSION ALSO BELIEVES THAT TO GO LOWER WOULD RESULT IN UNACCEPTABLE ECONOMIC AND ENERGY COSTS (SEE REFERENCE AIRGRAM).GREENWALD

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Draft Date: 30 OCT 1975
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Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
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Enclosure: n/a
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